



Department of Planning, Building and Code Enforcement
801 North First Street, Room 400
San José, California 95110-1795

GENERAL PLAN REPORT

2003 Fall Review

Hearing Date/Agenda Number:
P.C.11/17/03 Item: 3.j.2

File Number:
GP03-07-07

Council District and SNI Area:
7 – n/a

Major Thoroughfares Map Number:
99

Assessor's Parcel Number(s):
455-05-011, 455-05-012

Project Manager:
David Tymn

PROJECT DESCRIPTION:

General Plan amendment request to change the Land Use/Transportation Diagram designation from Heavy Industrial, Industrial Park and Mixed Industrial Overlay along Monterey Road to General Commercial on 55.1 acres.

LOCATION: Northwest corner of Curtner Avenue and Monterey Highway

ACREAGE: 55.1

APPLICANT/OWNER:

General Electric Company, Owners/Applicant

GENERAL PLAN LAND USE / TRANSPORTATION DIAGRAM DESIGNATION:

Existing Designations: Heavy Industrial (45.5 acres), Industrial Park (4.6 acres), Heavy Industrial with Mixed Industrial Overlay (3.0 acres), and Industrial Park with Mixed Industrial Overlay (2.0 acres)

Proposed Designation: General Commercial

EXISTING ZONING DISTRICT(S): HI Heavy Industrial

SURROUNDING LAND USES AND GENERAL PLAN DESIGNATION(S):

Northeast: (across Monterey Road) Single Room Occupancy Residential, Retail Commercial - Combined Industrial/Commercial

Northwest: Warehouse and Light Industrial, Industrial Training Center, Miscellaneous Commercial – Heavy Industrial

Southeast: Cemetery – Private Open Space

Southwest: Single-Family Residential, Multi-family Residential, Mobile Home Park, and Office Uses – Medium Density Residential (8-16 DU/AC) and General Commercial

ENVIRONMENTAL REVIEW STATUS:

Pending Environmental Impact Report

PLANNING STAFF RECOMMENDATION:

Combined Industrial/Commercial on 55.1 Acres

Approved by:

Date:

PLANNING COMMISSION RECOMMENDATION:

CITY COUNCIL ACTION:

CITY DEPARTMENT AND PUBLIC AGENCY COMMENTS RECEIVED:

- Department of Transportation – The proposed land use change would result in a long-term traffic impact, requiring an Environmental Impact Report.
- Santa Clara Valley Water District –The District has no objections to the proposed amendment and offered a variety of construction related comments for possible future development.
- San Jose Fire Department – The Fire Department has no comments on the proposed amendment other than that the water flow needed for the site could be as high as 4,500 gallons per minute.
- Airport Land Use Commission - The ALUC has no comments.

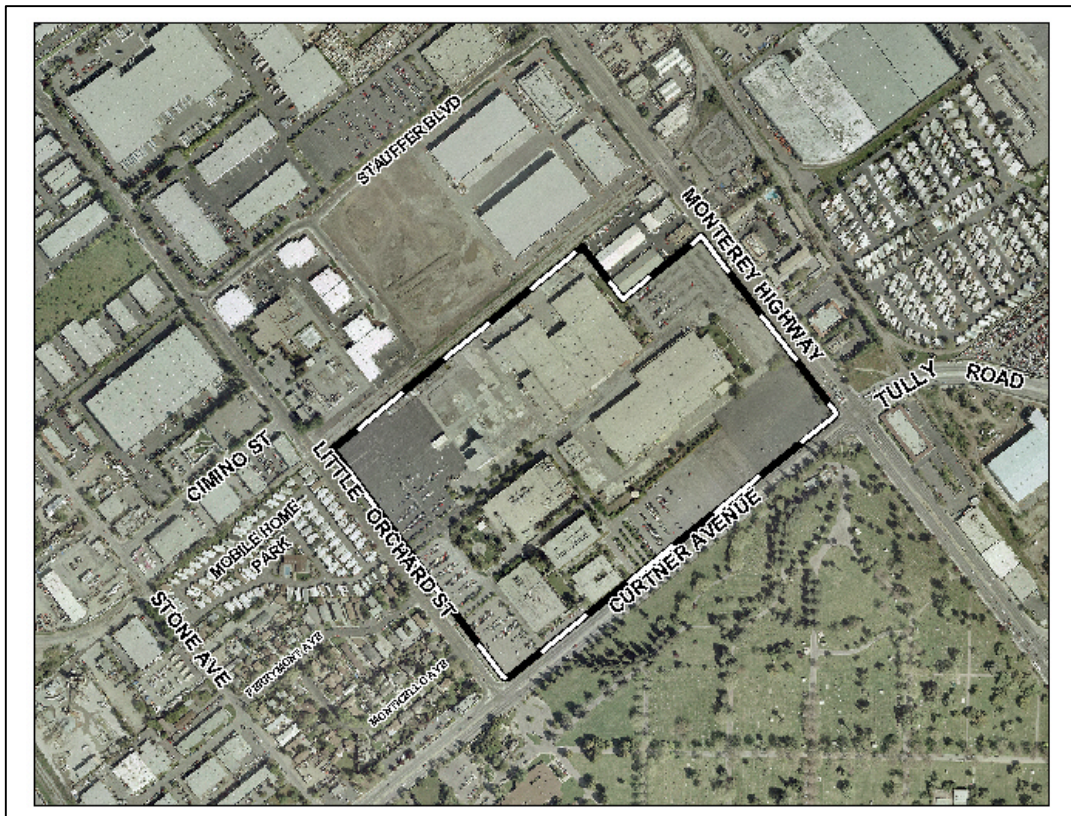
GENERAL CORRESPONDENCE:

- No correspondence received.

ANALYSIS AND RECOMMENDATIONS:

PROJECT DESCRIPTION

This is a privately initiated General Plan amendment to change the *San Jose 2020 General Plan* Land Use/Transportation Diagram designation from Heavy Industrial (45.5 acres), Industrial Park (4.6 acres), and Heavy Industrial with Mixed Industrial Overlay (approximately 3.0 acres) and Industrial Park with Mixed Industrial Overlay (approximately 2.0 acres) to General Commercial on a 55.1-acre site located on the northwest corner of Curtner Avenue and Monterey Highway. The applicant, General Electric (GE), has indicated that the site is no longer needed for their operations. GE intends to sell the property. Retail commercial uses are proposed as the replacement uses on the site.



BACKGROUND

This amendment site is the location of the existing General Electric (GE) facility, which consists of two parcels. The existing property comprises 780,000 square feet of office and industrial development, contained in 11 buildings. The oldest portions of the GE facility were constructed in 1948, with several additions built over the following 20 years. Past operations have included the manufacture and repair of large motors, and the manufacture of components and supplies for commercial nuclear power plants. Today, the uses on the site consist primarily of office and research and development. The existing buildings are not fully occupied and employee densities are low. Approximately 650 to 700 employees presently work at the site.

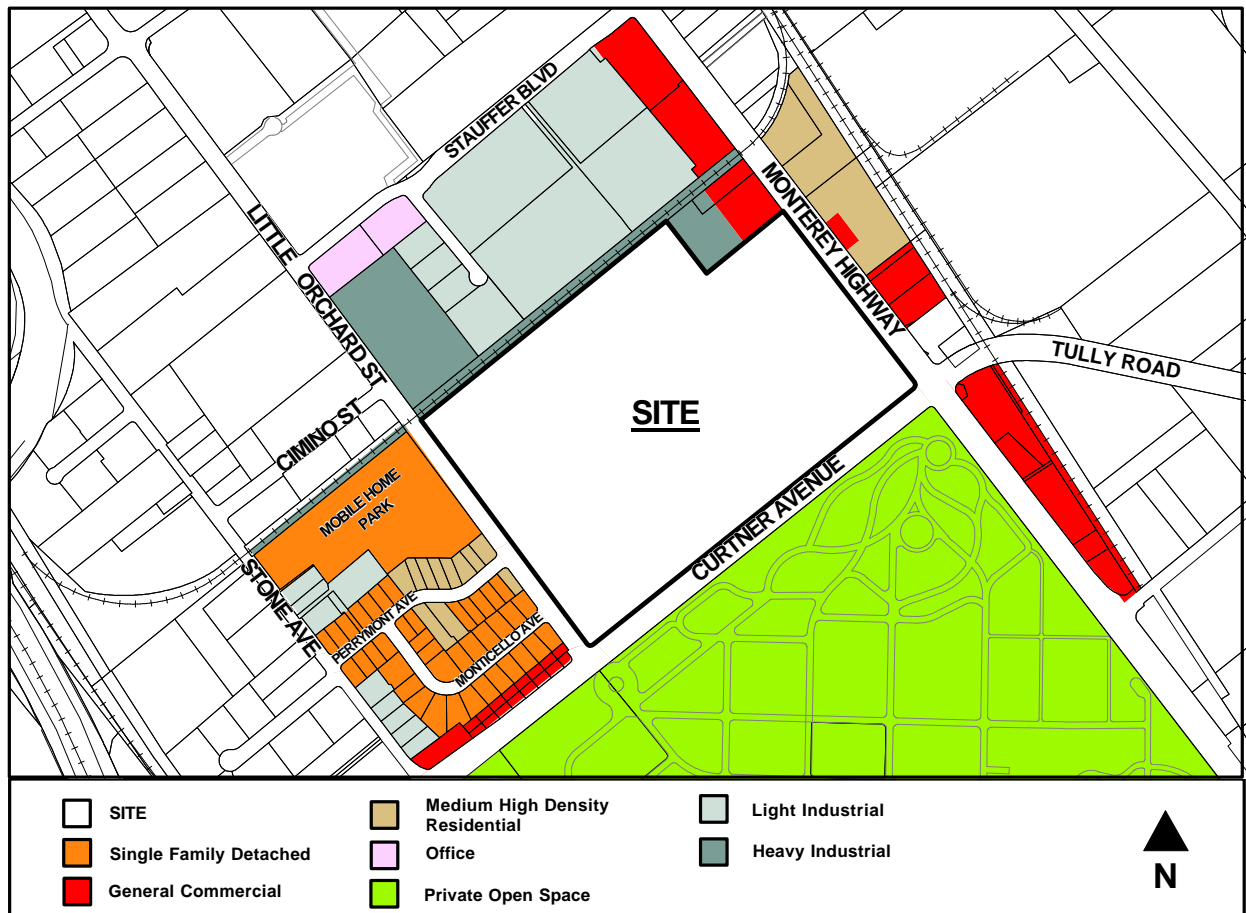
Using the analytical framework found in the Draft Economic Development Strategy, GE is considered a Driving Industry company because it sells products and services outside the Silicon Valley region. In fact, GE is a global company, with a large and diverse portfolio of enterprises ranging from consumer products (e.g., appliances), financial services, and a television station to power plants, specialty materials, and medical devices. GE's engineering services conducted at the Curtner site are also considered Driving Industry activities because they contribute to the "Innovation" sector.

Surrounding Uses

While General Electric itself is considered a Driving Industry, the subject site is within the Monterey Corridor area, known primarily as a location for Business Support Industries, including industrial services

and suppliers. Existing surrounding land uses include retail commercial and two single room occupancy residential developments (one converted motel with 98 units and one nearing completion with 152 units) to the northeast, across Monterey Road and a business park with miscellaneous warehousing and small industrial businesses, retail commercial and GE's training facility to the northwest. Oakhill Cemetery is directly southeast of the site, across Curtner Avenue. Existing uses immediately to the southwest of the site across Little Orchard Street are include approximately 29 single-family and 40 multi-family dwellings, a 90-space mobile home park and office uses. General Plan land use designations surrounding the site are Combined Industrial/Commercial across Monterey Road to the northeast, Heavy Industrial to the northwest, Private Open Space to the southeast and Medium Density Residential (8-16 DU/AC) and General Commercial to the southwest. Monterey Road and Curtner Avenue are designated on the General Plan Land Use/Transportation Diagram as Major Arterials (115-130 ft.).

EXISTING USES



ANALYSIS

Current General Plan policy is to protect existing industrial areas from conversion and encroachment of non-industrial uses that would eliminate industrial supplier/service uses and reduce the amount of land available for employment and for economic development activities. Since 1995, just over 250 acres have been converted from light and heavy industrial to non-industrial uses, a 10% reduction. There are currently approximately 18 applications for General Plan amendments proposing conversion of over 300 acres of Heavy Industrial, Light Industrial, and Industrial Park to residential and commercial uses. The GE General Plan amendment is the first of these proposals to come before the Planning Commission and City Council for consideration.

Existing and Proposed General Plan Land Use Designations

The Heavy Industrial land use designation is intended for industrial uses with nuisance or hazardous characteristics that for reasons of health, safety, environmental effects, or welfare are best segregated from other uses. Extractive and primary processing industries are typical of this category. The Heavy Industrial designation is applied only to areas where heavy industrial uses presently predominate. Office, and research and development uses are discouraged under this designation in order to reserve development sites for traditional industrial activities, such as heavy and light manufacturing and warehousing.

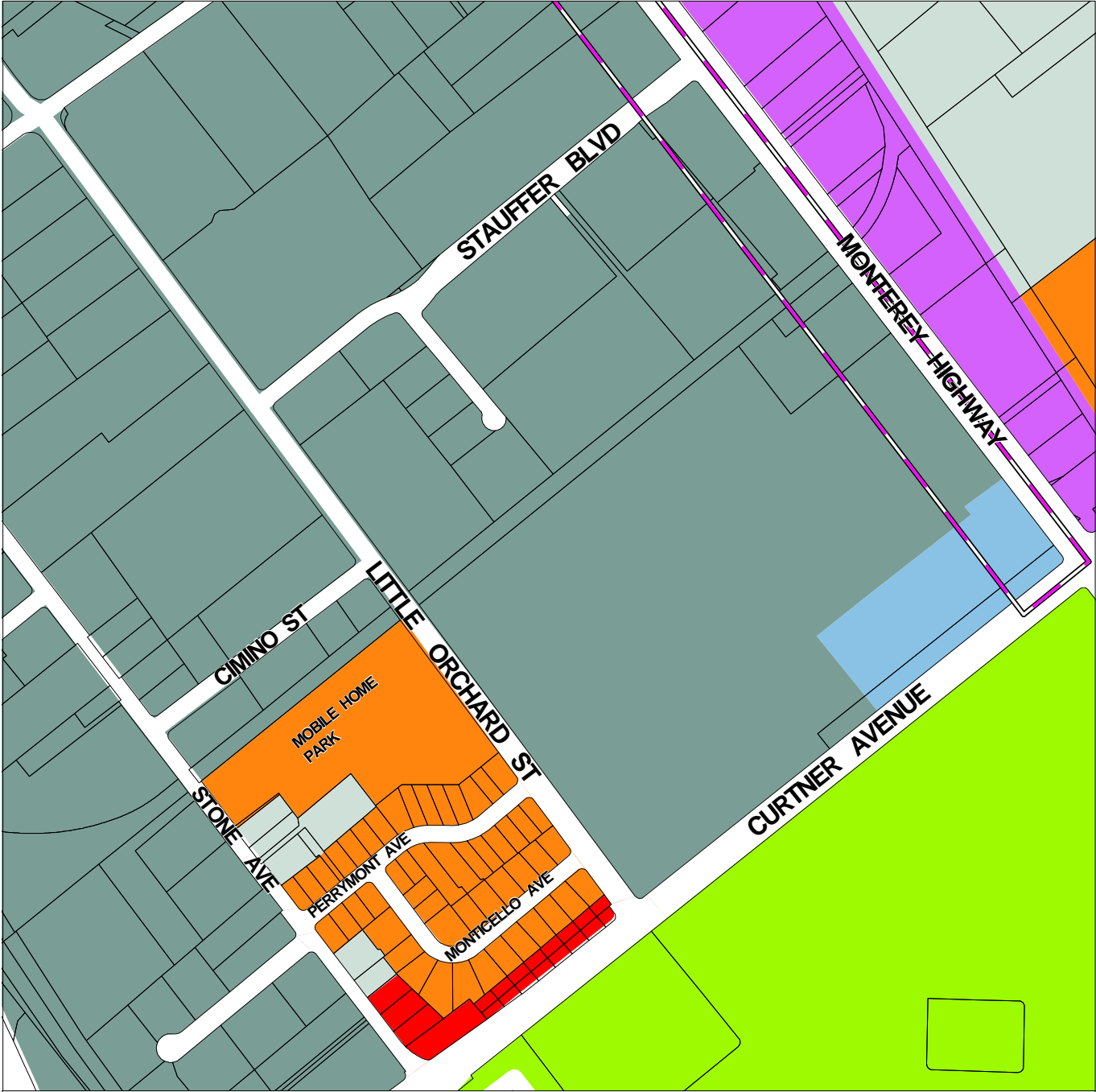
The Industrial Park designation is an exclusive industrial designation intended for a wide variety of industrial uses such as research and development, manufacturing, assembly, testing and offices. Industrial uses with any functional or operational characteristics of a hazardous or nuisance nature are consistent with the Industrial Park designation if they can be mitigated through design controls. Areas identified exclusively for Industrial Park uses may contain a very limited amount of supportive and compatible commercial uses, when those uses are of a scale and design providing support only to the needs of businesses and their employees in the immediate industrial area.

The primary difference between the Industrial Park and Light Industrial land use designations is that performance and design standards are more stringently applied in the Industrial Park designation, primarily with respect to landscaping requirements. The development standards of the IP-Industrial Park zoning district are illustrative of this concept.

The Mixed Industrial Overlay designates non-exclusive industrial areas that may be appropriate for a mixture of primarily industrial with compatible commercial or public/quasi-public uses, or may be developed entirely with industrial uses in accordance with the base designation. Areas with this overlay designation contain or are surrounded by an existing mix of uses, so that additional non-industrial uses would not compromise the integrity of areas reserved exclusively for industrial uses. Examples of non-industrial uses include, but are not limited to, primary or secondary schools, hotels and motels, churches, free standing daycare centers, big box retailers, large gymnasiums, sports or arts instruction facilities, and hospitals.

The proposed General Commercial designation is a non-specialized commercial designation intended to permit miscellaneous commercial uses. It includes both strip commercial areas along major thoroughfares as well as freestanding commercial establishments. Business and professional office uses are allowed within this category as well. Uses that have both commercial and industrial characteristics such as self-service warehousing, automobile lubrication, and other similar uses may be permitted provided that they: 1) comply with commercial development standards; 2) do not adversely impact nearby residential neighborhoods; and, 3) are not located within pedestrian oriented, or potentially pedestrian oriented, retail commercial strips.

EXISTING GENERAL PLAN DESIGNATIONS



SITE



Medium Density Residential (8-16 DU/AC)



General Commercial



Combined Industrial / Commercial



Office



Industrial Park



Light Industrial



Heavy Industrial



Private Open Space



Mixed Industrial Overlay



The Combined Industrial/Commercial (CI/C) designation allows for a mix of compatible commercial and industrial uses. A General Plan text amendment (GP03-T-10) is pending in this General Plan Review which proposes to revise the CI/C designation to permit the uses of the Industrial Park, Light Industrial, and General Commercial designations. The amendment also clarifies that “big box” retail as a stand alone use or as part of a larger retail center development is appropriate in this designation.

Policy Consistency

Older industrial areas near the Downtown Core Area were developed before 1950 and were dominated by canneries and associated industries. A decline in the food processing industry has followed the decline of agricultural production in the Santa Clara Valley. Some of the older industrial areas near rail transit are being recycled to a mix of residential, retail, office, and park uses consistent with adopted Specific Plans and General Plan amendments. Other older industrial areas are dominated by a variety of heavy and light industries, which are necessary components of the local economy and whose continued operation provides needed services to other businesses and to residents. These older industrial areas, such as the Monterey Corridor, provide lower cost lands and buildings necessary for industrial service/supplier uses and act as incubators for the new firms and industries, which will fuel future job growth.

The proposed conversion of the 55.1-acre site from Heavy Industrial and Industrial Park to General Commercial is primarily a question of competing economic development objectives for the City. The significant size and prominent location of this site make the land use decision all the more important for the future of the surrounding area and the City as a whole.

General Plan Economic Development Major Strategy

Since 1975, San Jose’s General Plan has had strong strategies, goals and policies to foster economic development. In the *San Jose 2020 General Plan*, this is expressed in the Economic Development Major Strategy, which strives to make San Jose a more “balanced community” by:

1. Encouraging more commercial and industrial growth to balance existing residential development,
2. Creating an equitable distribution of job centers and residential areas, and
3. Controlling the timing of development.

Economic development is a fundamental priority for future growth not only to improve the City’s financial position but also to provide employment opportunities for San Jose’s residents. The Economic Development Major Strategy calls for identifying opportunities for expanding the community’s economic base, promoting a balance between “driving” industries and the service/supplier firms which support them, and actively marketing San Jose as a location for a wide range businesses. San Jose’s industrial base includes supplier/services firms that directly support the region’s high technology base. In combination, these industries fuel the San Jose economy. In order to retain, attract, and expand industrial supplier/services (i.e., business support industries), specific industrial areas have been identified to accommodate these firms. The General Plan identifies the Monterey Corridor area as one of the City’s prime locations for such uses. It is important to the City’s economic viability to preserve the City’s industrial areas that support these industries.

Current data indicate that the portion of the Monterey Corridor area between Highway 87, Highway 280, Monterey Highway, and Curtner Avenue contains 3,700 jobs, 80% of which are in Business Support Industries (i.e., building and construction, retail/consumer services, industrial suppliers, and transportation/distribution).

The proposed General Plan amendment to General Commercial would allow the redevelopment of an underutilized site with new commercial uses, which would contribute to a stronger economic base through the increase of sales tax revenue and provision of jobs. Approval of the General Plan amendment, as requested, would eliminate 55.1 acres of industrially planned land that could either continue to serve as a prominent location for a Driving Industry company or contribute as a key location for industrial supplier/service uses.

Capturing the Full Economic Development Potential of the GE Site

To create a range of economic development uses for the GE property, staff is recommending designating this prominent site as Combined Industrial/Commercial. This designation would allow for the desired retail uses while retaining the flexibility for future industrial activities. In this way, the land use designation would provide for a wide range of economic development activities.

As noted above, the Combined Industrial/Commercial designation, as proposed in text amendment file no. GP 03-T-10, allows the uses of the Industrial Park, Light Industrial and General Commercial land use designations. Designating the site Combined Industrial/Commercial supports the General Plan Economic Development Major Strategy by providing for either commercial or industrial job growth and improving the City's tax base.

Land Use Compatibility

As described above, the existing uses immediately surrounding the amendment site consist of a mix of retail and service commercial, research and development, light and heavy industrial and open space (Oakhill Cemetery). The nearest residential uses are a small neighborhood of single- and multi-family dwellings and a mobile home park located across Little Orchard Street to the west. New commercial development of the site would be required to adhere to General Plan Residential and Commercial land use policies and the City's Commercial Design Guidelines in regards to appropriate design techniques to buffer the residential neighborhoods from traffic and other impacts from new commercial uses. These guidelines would ensure a compatible relationship.

If under the Combined Industrial/Commercial designation new industrial uses are introduced to the site, then they would need to comply with General Plan policies as well as the Industrial Design Guidelines. These uses would also be compatible with the surrounding existing uses and General Plan designations.

ENVIRONMENTAL REVIEW

An Environmental Impact Report was prepared for the proposed amendment. The Environmental Impact Report analyzed the applicant's proposal for General Commercial on 55.1 acres as well as a number of alternatives to the amendment. The areas of significant environmental impact identified in the EIR were traffic from the proposed future commercial use of the amendment site and cumulative traffic and air quality impacts resulting from the combined effects of this and other pending General Plan amendments.

The long range transportation analysis performed for the General Plan amendment identified three roadway segments that would experience significant increases (more than 50 peak-hour trips) in southbound traffic, the predominate peak-hour direction; Second Street, US 101 and King Road. Four segments are predicted to experience moderate traffic increases (more than 20 peak-hour trips); Highway 87, Lincoln Avenue, Vista Park Drive and Almaden Expressway. While there would be a net reduction

in the number of employees expected to work on the site, the increase in traffic is from people driving to the future commercial development during the peak-hour. The EIR concludes that the amendment would result in significant long-term traffic impacts from increased localized congestion from the transportation system. This impact would be only partially reduced by implementation of General Plan policy mitigation, and, therefore remains a significant, unavoidable impact.

The cumulative contribution of this amendment, together with all other pending amendments, creates significant, unavoidable long-term traffic impacts and resulting cumulative air quality impacts. City Council approval of the proposed amendment will require the adoption of a resolution of findings and a statement of overriding considerations which documents that the benefits of the proposed amendment outweigh its environmental impacts.

One other topic addressed in the EIR that warrants mention is the potential impact to cultural and historic resources. Based on the results of archaeological investigation, the sensitivity of the site is considered high due to the proximity of recorded archaeological sites and the property's location in the former floodplain of Coyote Creek. Construction activities for new commercial development of the site have a high potential to disturb such resources. The EIR describes both General Plan policies and other standard requirements for future development that will reduce the potential impact to archaeological resources to a less than significant level.

The EIR identifies that the 1948 GE motor plant building appears to be eligible for listing on the California Register of Historic Resources. The possible future demolition of the building constitutes a significant impact under CEQA. The EIR concludes that implementation of General Plan policies would reduce the impact to a less than significant level because EIR certification and approval of the proposed amendment would not provide entitlements to demolish the building. Any project proposing removal of the 1948 motor plant building would require subsequent environmental review and discretionary action. In particular, General Plan Historical, Archaeological and Cultural Resources Policy No. 1 states that because historically or archaeologically significant sites, structures and districts are irreplaceable, their preservation should be a key consideration in the development review process. No specific development plan has been proposed for the commercial development of the site. Due to the significant size of the site, preservation of all or a portion of this building in conjunction with future reuse of the site is considered feasible, consistent with the direction of the General Plan policy stated above.

Environmental Impacts of the Combined Industrial/Commercial Designation

Designation of the site for Combined Industrial/Commercial, as recommended by Staff, was considered as a Project Alternative in the EIR, which concluded that the impacts would be "generally comparable" to those of the proposed General Commercial designation. The First Amendment, containing comments and responses to comments on the Environmental Impact Report for the General Plan amendment, was circulated on November 7, 2003.

CONCLUSION

As noted at the beginning of the Policy Consistency section of this report, the proposed conversion of the 55.1-acre site from Heavy Industrial and Industrial Park to General Commercial is primarily a question of competing economic development objectives for the City. The significant size and prominent location of this site make the land use decision all the more important for the future of the surrounding area and the City as a whole.

The analysis outlines clear policy reasons for support of both the existing industrial use of the GE property as well as reasons why commercial uses would provide value for the community. Retention of the site for future industrial uses would support the Draft Economic Development Strategy goals to enhance opportunities for “Driving Industries” such as GE as well as industrial support industries in the Monterey Corridor, potentially providing more jobs in the “mid-tier” level associated with these support industries. Expanding such uses to maximize the use of the site would contribute to the City’s industrial tax base.

Approval of the proposed General Commercial land use designation would provide the ability to develop commercial uses that would expand the City’s sales tax revenue and provide commercial services to the community.

Based on the above, staff is recommending approval of the Combined Industrial/Commercial land use designation as a means to retain future land use flexibility for the site. This designation is compatible with the existing General Plan designations and uses in the surrounding area. This recommendation provides flexibility for the General Electric Company, a valued, long-standing corporate citizen in San Jose to proceed with further planning for the disposition of this significant land asset. The City is hopeful that this direction will facilitate GE retaining the maximum number of existing jobs from this site in San Jose.

PUBLIC OUTREACH

The property owners and occupants within a 1,000-foot radius were sent a newsletter regarding the two community meetings that were held on October 14 and 15, 2003. They also received a notice of the Draft Environmental Impact Report and a notice of the public hearings to be held on the subject amendment before the Planning Commission on October 17 and City Council on December 16. In addition, the Department's web-site contains information regarding the General Plan process, amendments, staff reports, and hearing schedule. This site is available to any member of the public and contains the most current information regarding the status of the amendments.

Staff received no telephone calls or written correspondence on the proposed amendment. At the community meeting, one resident expressed support for the proposed commercial use of the site.

RECOMMENDATION

Combined Industrial/Commercial on 55.1 acres

Attachments